

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2000-536-C - ORDER NO. 2001-137  
FEBRUARY 12, 2001

IN RE: Application of SCANA Communications, Inc.	)	ORDER GRANTING
to Amend its Certificate of Public	)	MODIFIED
Convenience and Necessity to provide for	)	CERTIFICATE
Intrastate Local Exchange and Exchange	)	
Access Telecommunications Services within	)	
the State of South Carolina; for Flexible	)	
Regulation, and to Modify the Limitation	)	
Concerning the Provision of Private Line and	)	
Special Access Services.	)	

This matter comes before the Public Service Commission (the Commission) on the Application of SCANA Communications, Inc. (SCI or the Company), filed on October 30, 2000. SCI is a South Carolina corporation currently certificated by this Commission to provide intrastate non-switched point-to-point telecommunications service as a "carrier's carrier" throughout the State, and to provide Private Line and Special Access Services within the service area of BellSouth Telecommunications, Inc. (BellSouth). See Order No. 96-451. The Application filed on October 30, 2000 seeks amendment of the Company's granted Certificate as follows: (1) to allow SCI to provide, under flexible regulation, resold and facilities-based local exchange and exchange access services; (2) to allow SCI to provide, under flexible (or "alternative") regulation, resold and facilities-based interexchange telecommunications services; and (3) to allow SCI to provide Private Line and Special Access Services within the entire state.

By letter, the Commission's Executive Director instructed SCI to publish, one time, a prepared Notice of Filing and Hearing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing and Hearing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. SCI complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and Hearing. Petitions to Intervene were received from the South Carolina Telephone Coalition (SCTC) and BellSouth Telecommunications, Inc.

On or about January 29, 2001, counsel for SCTC filed with this Commission a Stipulation in which SCI stipulated that it would seek authority in non-rural local exchange (LEC) service areas of South Carolina, and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until SCI provided written notice of its intent prior to the date of the intended service. SCI also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. SCI agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to SCI to provide local services provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached hereto as Order Exhibit 1.

BellSouth also evidenced its intent not to participate in any hearing on this matter and not to oppose the relief sought by the Company.

Accordingly, SCI then filed a Motion for Expedited Review of its Application, since all opposition to its Application had been withdrawn. In support of its Application and its Motion for Expedited Review, SCI submitted the verified testimony of Larry G. Vincent, Manager of Sales, Marketing, and Customer Service for SCI. We would also note that the Commission Staff submitted the verified testimony of Barbara Crawford of the Commission's Audit Department and James McDaniel, Chief of the Utilities Department's Telecommunications Section. We note that Staff does not oppose the Motion for Expedited Review, as long as the Staff's tariff concerns are addressed in the Company's final tariff. The Company has agreed to this condition. We therefore grant the Company's Motion for Expedited Review and grant the Company's Application as indicated and explained below.

Larry G. Vincent testified, in written form, in support of the Company's Application. Vincent noted that the Application seeks to amend SCI's Certificate of Public Convenience and Necessity in several ways as follows: (1) to allow SCI to provide, under flexible regulation resold and facilities-based local exchange and exchange access telecommunications services throughout South Carolina, subject to conditions previously established by the Commission before such services may be provided within the service area of a rural incumbent LEC (ILEC); (2) to allow SCI to provide, under "flexible" regulation, resold and facilities-based interexchange telecommunications services throughout the state; and (3) to allow SCI to provide Private

Line and Special Access Services within the entire state, subject to the same conditions for providing these services in areas served by rural ILECs as apply to the provision of local services in such areas. According to Vincent, SCI's authority to provide services as a "carrier's carrier" would remain unaltered.

Vincent testified in more detail with regard to the Company's request to provide resold and facilities-based local exchange and exchange access telecommunications services throughout South Carolina. Initially, SCI intends to offer high-speed data services using digital subscriber line (DSL) technology. SCI may offer other services, including voice services, at a later time. SCI seeks authority to provide these services statewide, but subject to the conditions outlined in the Stipulation with SCTC. Vincent states that SCI possesses the technical, financial, and managerial resources sufficient to provide the local services requested, that the services will meet the Commission's service standards, that the provision of service will not adversely impact the availability of affordable local exchange service, that, to the extent required to do so, SCI will participate in the support of universally available telephone service at affordable rates, and that SCI's provision of service will not adversely impact the public interest. Finally, Vincent conveys the Company's request that these services be regulated in accordance with the flexible regulation principles and procedures and the maximum rate structure first established by the Commission in Order No. 98-165, Docket No. 97-467-C.

The witness then discussed the request for authority to provide resold and facilities-based interexchange telecommunications throughout the entire State. Vincent states that the Company possesses the technical, financial, and managerial resources to

provide these services as well, and that approval of the request will serve the public interest in that interexchange competition will be enhanced, communication facilities will be used more efficiently, and more reliable and diverse services will be available to South Carolina consumers. Further, Vincent notes that the Company is requesting flexible (“alternative”) regulation of these services in accordance with the principles and procedures adopted by the Commission in Docket No. 95-661-C and applied in subsequent proceedings before this Commission.

With regard to the provision of private line and special access services, Vincent notes that SCI is presently limited to providing these services only in BellSouth’s service area. SCI seeks to remove this limitation, but replace it with the same conditions as would apply to SCI’s provision of local services within the State. That is, if the request is granted, SCI would have to comply with the notice provisions of the SCTC Stipulation before Private Line and Special Access Services could be provided within a rural ILEC’s service area. SCI states its belief is that granting this request will serve the public interest by further promoting competition in the provision of these services.

We note that the Commission Staff also filed verified testimony. Barbara Crawford of the Audit Department noted that the Company is in good financial shape. James McDaniel pointed out various provisions of the Company’s proposed tariffs which, in his opinion, needed modification. We would note that the Company has agreed to these modifications.

**FINDINGS OF FACT**

1. SCI is a corporation organized and existing under the laws of the State of South Carolina. SCI is a wholly-owned subsidiary of SCANA Corporation, a South Carolina corporation.

2. According to SCI's Application, the Company owns and operates fiber optic telecommunications facilities in South Carolina, and currently has approximately 730 miles of fiber optic lines in the State. On July 5, 1996, this Commission granted SCI a Certificate of Public Convenience and Necessity to provide intrastate non-switched point-to-point telecommunications services as a "carrier's carrier" within the state and to provide Private Line and Special Access services within the service area of BellSouth, pursuant to Order No. 96-451.

3. By way of its Application, the Company now seeks authority from this Commission to provide resold and facilities-based local exchange and exchange access services under flexible regulation, resold and facilities-based interexchange telecommunications services under flexible (or "alternative") regulation; and an expansion of the Company's presently provided Private Line and Special Access Services to include the entire State of South Carolina. SCI and SCTC have signed a Stipulation with regard to the provision of local and exchange access services and the expansion of the Company's provision of Private Line and Special Access Services.

4. With regard to the provision of local exchange and exchange access services, the Commission finds that the Company meets the statutory criteria described in S.C. Code Ann. Section 58-9-280(B)(Supp. 2000):

a. SCI possesses the technical, financial, and managerial resources sufficient to provide the service requested;

b. the Company's provision of service will not adversely impact the availability of affordable local exchange service;

c. SCI will support universally available telephone service at affordable rates;

d. the Company will provide services which will meet the service standards of the Commission;

e. SCI's provision of local exchange service does not otherwise adversely impact the public interest.

5. SCI has the technical, financial, and managerial resources to provide resold and facilities-based interexchange telecommunications services throughout the State of South Carolina.

6. Flexible regulation of the Company's local exchange and access exchange offerings should be granted, as well as "alternative" regulation of SCI's interexchange offerings.

7. The requested expansion of SCI's Private Line and Special Access offerings should be granted, subject to the terms of the Stipulation with SCTC.

**CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to SCI to provide competitive intrastate local exchange and exchange access services within the State of South Carolina, both resold and facilities-based. The terms of the Stipulation between SCI and the SCTC (attached hereto as Exhibit 1) are approved and adopted as a portion of this Order. Any proposal to provide local services to rural service areas is subject to the terms of the Stipulation. In accordance with the Stipulation, SCI may not provide any local service to a customer located in a rural incumbent LEC's service area, unless or until SCI provides such rural incumbent LEC and the Commission, written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. The Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while it conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon a showing of good cause. It is specifically provided that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Order in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications as they may be entitled. If, after notice from SCI that it intends to serve a customer located in a rural incumbent LEC's service area, and the Commission receives a Petition from the rural

incumbent LEC to exercise its rights under Federal or State law, or if the Commission institutes a proceeding of its own, no service may be provided by SCI in a rural incumbent LEC's service area pursuant to this Order without prior and further Commission approval.

2. SCI shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the maximum tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

3. SCI's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for SCI's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, SCI's local exchange services tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

4. Also, based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to SCI to provide intrastate InterLATA service by resale or facilities-based, and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

5. The Commission adopts a rate design for the long distance services which are consistent with the principles and procedures established for alternative regulation for business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under the Commission approved alternative regulation, the business service offerings of SCI, including consumer card and operator services are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to SCI also.

6. If it has not already done so by the date of issuance of this Order, SCI shall file its revised long distance tariff within thirty (30) days of receipt of this Order.

The revised tariff shall be consistent with the findings of this Order, with the Commission's Rules and Regulations and with the changes requested by the Commission Staff.

7. The Commission hereby grants the Company authority to provide its Private Line and Special Access services on a statewide basis, subject to the terms of the Stipulation with the South Carolina Telephone Coalition.

8. SCI is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

9. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

10. SCI shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If SCI changes underlying carriers, it shall notify the Commission in writing.

11. SCI shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

12. SCI shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. Annual reports and gross receipt reports are required by the Commission. The Company shall keep such financial records on an intrastate basis as needed to comply with the annual

report and gross receipt filings. The forms the Company shall use to file annual financial information with the Commission can be found at the Commission's web site at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms). The form for reporting annual information for local exchange service is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages. The form for reporting annual information for interexchange services is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS" and consists of two pages. Additionally, as required by the Commission's regulations, SCI is required to submit "Quality of Service Reports." A copy of the "CLEC Service Quality Quarterly Report" form can be found on the Commission's website at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms).

13. The company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

SCI shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can be found at the Commission's web site at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms). This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

14. With regard to the origination and termination of toll calls within the same LATA, SCI shall comply with the terms of Order No. 93-462, Order Approving and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dial parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51-209).

15. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

16. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs SCI to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, SCI shall contact the 911

Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

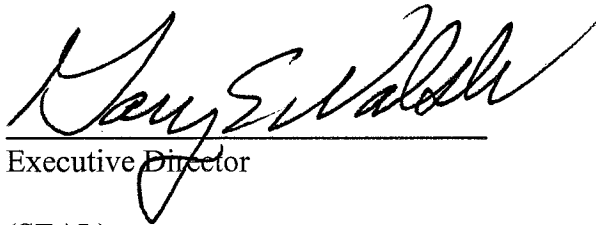
17. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA

Docket No. 2000-NUMBER-C

Docket No. 2000-536-C

Re: Application of SCANA Communications, Inc. )  
for a Certificate of Public Convenience and )  
Necessity to Provide Any and All Intrastate )  
Local Exchange, Exchange Access, and )  
Interexchange Telecommunications Services )  
within the State of South Carolina on a Resold )  
and Facilities Basis )  
\_\_\_\_\_ )

**STIPULATION**

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and SCANA Communications, Inc. ("SCANA") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose SCANA' Application. SCTC and SCANA stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to SCANA, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. SCANA stipulates and agrees that any Certificate which may be granted with respect to local exchange and exchange access service will authorize SCANA to provide such service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. SCANA stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. SCANA stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until SCANA provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, SCANA acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. SCANA stipulates and agrees that, if SCANA gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then SCANA will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. SCANA acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and SCANA, and this Stipulation in no way suspends or


adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. SCANA agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. SCANA hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 29<sup>th</sup> day of January, 2000.

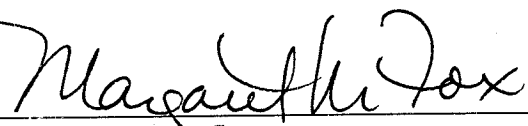
SCANA Communications, Inc.:



B Craig Collins  
Willoughby & Hoefer, P.A.  
PO Box 8416  
1022 Calhoun St.  
Columbia, South Carolina 29202-8416  
(803) 252-3300

Attorneys for SCANA Communications,  
Inc.

South Carolina Telephone Coalition:



M. John Bowen, Jr.  
Margaret M. Fox  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
(803) 799-9800

Attorneys for the South Carolina Telephone  
Coalition

## ATTACHMENT A

### South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.  
Chesnee Telephone Company  
Chester Telephone Company  
Farmers Telephone Cooperative, Inc.  
Ft. Mill Telephone Company  
Heath Springs Telephone Company Inc.  
Home Telephone Company, Inc.  
Lancaster Telephone Company  
Lockhart Telephone Company  
McClellanville Telephone Company  
Norway Telephone Company  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
Pond Branch Telephone Company  
Ridgeway Telephone Company  
Rock Hill Telephone Company  
Sandhill Telephone Cooperative, Inc.  
St. Stephen Telephone Company  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company

BEFORE  
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OF  
SOUTH CAROLINA

Docket No. 2000-NUMBER-C

Docket No. 2000-536-C

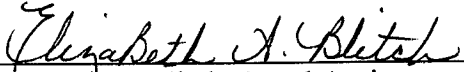
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for a Certificate of Public Convenience and )  
Necessity to Provide Any and All Intrastate )  
Local Exchange, Exchange Access, and )  
Interexchange Telecommunications Services )  
within the State of South Carolina on a Resold )  
and Facilities Basis )

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**CERTIFICATE OF  
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

B. Craig Collins, Esquire  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
Columbia, South Carolina 29202-8416.

  
Elizabeth A. Blitch, Legal Assistant  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
(803) 799-9800

January 30, 2001

Columbia, South Carolina